

**PATENT**

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

In re Application of: Brian A. Grove et al.      Examiner: Jason B. Dunham

Serial No.: 10/749,625      Group Art Unit: 3625

Filed: December 30, 2003      Docket: 2043.033US1

For: METHOD AND SYSTEM TO PUBLISH A PROXY BID AND A RESERVE  
PRICE

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**APPEAL BRIEF UNDER 37 CFR § 41.37**

Mail Stop Appeal Brief- Patents  
Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Sir:

The Appeal Brief is presented in support of the Notice of Appeal to the Board of Patent Appeals and Interferences, filed on March 26, 2009, from the Final Rejection of claims 1-32 of the above-identified application, as set forth in the Final Office Action mailed on December 26, 2008.

The Commissioner of Patents and Trademarks is hereby authorized to charge Deposit Account No. 19-0743 in the amount of \$540.00 which represents the requisite fee set forth in 37 C.F.R. § 41.20(b)(2). Appellants respectfully request consideration and reversal of the Examiner's rejections of the pending claims.

**APPEAL BRIEF UNDER 37 C.F.R. § 41.37**

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## **1. REAL PARTY IN INTEREST**

The real party in interest of the above-captioned patent application is the assignee, EBAY INC. as evidenced by the assignment from the inventors, recorded on November 23, 2004 on Reel 015406, Frames 0381-0389.

## **2. RELATED APPEALS AND INTERFERENCES**

There are no other appeals or interferences known to Appellants that will have a bearing on the Board's decision in the present appeal.

### **3. STATUS OF THE CLAIMS**

The present application was filed on December 30, 2003 with claims 1-32. Claims 1-32 stand twice rejected, remain pending, and are the subject of the present Appeal.

#### **4. STATUS OF AMENDMENTS**

In response to the Non-Final Office Action mailed June 12, 2008, claims 1-3, 6-7, 9-11, 14, 17-19, 22, 25-27, and 30 were amended and the amendments were entered according to the Final Office Action mailed December 26, 2008.

## **5. SUMMARY OF CLAIMED SUBJECT MATTER**

This summary is presented in compliance with the requirements of Title 37 C.F.R. §41.37(c)(I)(v), mandating a “concise explanation of the subject matter defined in each of the independent claims involved in the appeal.” Nothing contained in this summary is intended to change the specific language of the claims described, nor is the language of this summary to be construed to limit the scope of the claims in any way.

Specific paragraph and line numbers are merely exemplary and are given below merely as an aid in understanding various inventive subject matters presented. The paragraph and line numbers relate to the as-filed application.

### **INDEPENDENT CLAIM 1**

Aspects of the present inventive subject matter include, but are not limited to, a system to publish a proxy bid and a reserve price in a network-based auction.

1. A network-based commerce system (*Fig. 1, element 10 and paragraph [0034] at page 8, lines 1-2*), said network commerce system comprising:

a processor (*Fig. 14, element 1002 and paragraph [00127] at page 34, line 19*) coupled to a memory (*Fig. 14, elements 1006 and 1008, paragraph [00127] at page 34, lines 19-20*) through a bus (*Fig. 14, element 1024 and paragraph [00127] at page 34, line 20*); and a fixed price-setting process (*Fig. 3, element 130 and paragraph [0047] at page 12, lines 10-12; see also Fig. 7C, element 770, paragraph [00112] at page 31, lines 1-6*) executed from the memory by the processor to:

determine that a high proxy bid is less than a reserve price (*Fig. 7B, element 745 and paragraph [00107] at page 29, lines 17-20*), wherein the high proxy bid is the highest current proxy bid (*definition of proxy, generally, at paragraph [0060] at page 18, lines 8-10*) and the reserve price (*definition of reserve price, generally,*

*at paragraph [0006] at page 2, lines 13-14) is the minimum price at which a seller is willing to sell an item, and*

*in response to the determining, cause the processor to automatically publish at least one of a proxy bid information set by a proxy bidder and the reserve price (Fig. 7B, element 748 and paragraph [00107] at page 29, lines 20-22), wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item.*

### **INDEPENDENT CLAIM 9**

Aspects of the present inventive subject matter include, but are not limited to, a system to publish a proxy bid and a reserve price in a network-based auction.

9. A network-based commerce system (*Fig. 1, element 10 and paragraph [0034] at page 8, lines 1-2*), said network commerce system comprising:

*means for determining (Fig. 14, element 1002 and paragraph [00127] at page 34, line 19) that a high proxy bid is less than a reserve price (Fig. 7B, element 745 and paragraph [00107] at page 29, lines 17-20), wherein the high proxy bid (definition of proxy, generally, at paragraph [0060] at page 18, lines 8-10) is the highest current proxy bid and the reserve price (definition of reserve price, generally, at paragraph [0006] at page 2, lines 13-14) is the minimum price at which a seller is willing to sell an item;*

*means for automatically publishing (Fig. 14, element 1002 and paragraph [00127] at page 34, line 19) at least one of a proxy bid information set by a proxy bidder and the reserve price (Fig. 7B, element 748 and paragraph [00107] at page 29, lines 20-22) in response to the determining, wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item; and*

*means for storing (Fig. 14, elements 1006 and 1008, paragraph [00127] at page 34, lines 19-20 and Fig. 14, element 1024 and paragraph [00127] at page 34, line 20) the listing.*



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**INDEPENDENT CLAIM 17**

Aspects of the present inventive subject matter include, but are not limited to, a machine-readable medium having instructions to perform a method to publish a proxy bid and a reserve price in a network-based auction.

17. A machine-readable medium (*Fig. 14, element 1020 and paragraph [00128] at page 35, line 4*) having instructions (*Fig. 14, element 1020 and paragraph [00128] at page 35, line 5*) to cause a machine to perform a method (*Fig. 14, element 1020 and paragraph [00128] at page 35, line 6*) to facilitate operation of a network-based commerce system (*Fig. 1, element 10 and paragraph [0034] at page 8, lines 1-2*), the method comprising: determining that a high proxy bid is less than a reserve price (*Fig. 7B, element 745 and paragraph [00107] at page 29, lines 17-20*), wherein the high proxy bid is the highest current proxy bid (*definition of proxy, generally, at paragraph [0060] at page 18, lines 8-10*) and the reserve price (*definition of reserve price, generally, at paragraph [0006] at page 2, lines 13-14*) is the minimum price at which a seller is willing to sell an item; and in response to the determining, automatically publishing at least one of a proxy bid information set by a proxy bidder and the reserve prices (*Fig. 7B, element 748 and paragraph [00107] at page 29, lines 20-22*), wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item.

**INDEPENDENT CLAIM 25**

Aspects of the present inventive subject matter include, but are not limited to, a method to publish a proxy bid and a reserve price in a network-based auction.

25. A method to facilitate operation of a network-based commerce system (*Fig. 1, element 10 and paragraph [0034] at page 8, lines 1-2*), the method including: determining that a high proxy bid is less than a reserve price (*Fig. 7B, element 745 and paragraph [00107] at page 29, lines 17-20*), wherein the high proxy bid is the highest current proxy bid (*definition of proxy, generally, at paragraph [0060] at page 18, lines 8-*

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*10)* and the reserve price (*definition of reserve price, generally, at paragraph [0006] at page 2, lines 13-14*) is the minimum price at which a seller is willing to sell an item; and in response to the determining, automatically publishing at least one of a proxy bid information set by a proxy bidder and the reserve price (*Fig. 7B, element 748 and paragraph [00107] at page 29, lines 20-22*), wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item.

This summary does not provide an exhaustive or exclusive view of the present subject matter, and Appellant refers to each of the appended claims and its legal equivalents for a complete statement of the invention.

## **6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

### *Rejections under 35 U.S.C. §102(b)*

The Examiner rejected claims 1-32 under 35 U.S.C. §102(b) as being anticipated by *Auction Arms* (Reference U, PTO-892).

## **7. ARGUMENT**

### ***A) The Applicable Law under 35 U.S.C. §102(b)***

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference. (*See* M.P.E.P § 2131.) To anticipate a claim, a reference must disclose every element of the challenged claim and enable one skilled in the art to make the anticipating subject matter. (*PPG Industries, Inc. V. Guardian Industries Corp.*, 75 F.3d 1558, 37 USPQ2d 1618 (Fed. Cir. 1996).) The identical invention must be shown in as complete detail as is contained in the claim. (*Richardson v. Suzuki Motor Co.*, 868 F.2d 1226, 1236, 9 USPQ2d 1913, 1920 (Fed. Cir. 1989).) [U]nless a reference discloses within the four corners of the document not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102. (*Net MoneyIn, Inc. v. Verisign, Inc.*, No. 2007-1565 at 17. (Fed. Cir. Oct. 20, 2008.)

***B) Discussion of the rejection of claims 1-32 under 35 U.S.C. § 102(b) as being anticipated by Auction Arms (Reference U, PTO-892)***

On page 2 of the Advisory Action mailed March 19, 2009, the Examiner maintained the prior rejection of claims 1-32 under 35 U.S.C. § 102(b) as being anticipated by *Auction Arms* (Reference U, PTO-892). Since not all elements of Appellants' claims are taught in *Auction Arms*, Appellants respectfully traverse the rejection.

In order to anticipate a claim, a reference must teach all limitations, arranged or combined in the same way as recited in Appellants' claim. The Court of Appeals for the Federal Circuit recently held that

[U]nless a reference discloses within the four corners of the document ***not only all of the limitations claimed but also all of the limitations arranged or combined in the same way as recited in the claim***, it cannot be said to prove prior invention of the thing claimed and, thus, cannot anticipate under 35 U.S.C. § 102.” (*Net MoneyIn, Inc. v. Verisign, Inc.*, No. 2007-1565 at 17. (Fed. Cir. Oct. 20, 2008.) Emphasis added.)

***Independent Claims 1, 9, 17, and 25***

Because *Auction Arms* fails to disclose all limitations of independent claims 1, 9, 17, and 25, these claims are not anticipated, and are thus novel. In particular, claim 1 recites, *inter alia*,

[A] fixed price-setting process executed from the memory by the processor to:

***determine that a high proxy bid is less than a reserve price***, wherein the high proxy bid is the highest current proxy bid and the reserve price is the minimum price at which a seller is willing to sell an item, and

***in response to the determining, cause the processor to automatically publish at least one of a proxy bid information set by a proxy bidder and the reserve price***, wherein the proxy bid

information includes the highest price that the proxy bidder is willing to pay for the item. (Emphasis added.)

Appellants' other independent claims, namely claims 9, 17, and 25, each contain similar limitations to claim 1.

In contrast, *Auction Arms* merely discusses operations of their on-line auction system for firearms. As noted below, proxy bidding restrictions in *Auction Arms* are applicable **to both basic and reserve style auctions** (see *Auction Arms*, "Proxy Bidding" at 7). Therefore, contrary to the Examiner's assertions, the following sections of *Auction Arms* are applicable in response to the stated rejection. Specifically, with regard to reserve prices and proxy bids, *Auction Arms* discusses,

We actually run a Modified Reserve Style auction. We differentiate from a traditional Reserve Style auction in that **our proxy bidding doesn't kick in until after the Seller's reserve price has been met**. All bids placed lower than the Seller's reserve price are in the open and visible for everyone to see. **After the Seller's reserve has been met, proxy bidding kicks in and Max bids are kept hidden** while proxy bids placed by the computer and bids beaten by a proxy bid are displayed. (*Auction Arms* at 7. Emphasis added.)

*Auction Arms* further emphasizes, **"WARNING: PROXY BIDDING DOES NOT KICK IN ON RESERVE AUCTIONS UNTIL AFTER THE RESERVE HAS BEEN MET."** (*Auction Arms* at 8. Emphasis in original.) Thus, only after a reserve price has been met are proxy bids considered.

Consequently, since proxy bids are not even considered until the reserve price has been met, then no determination is made within *Auction Arms* that a proxy bid is less than the reserve price as recited by each of Appellants' independent claims. Moreover, no disclosure or even hint exists within *Auction Arms* of "automatically publish[ing] at least one of a proxy bid information set by a proxy bidder and the reserve price" as recited by Appellants' independent claims.

In the Advisory Action, the Examiner stated

Applicant argues that Auction Arms does not disclose all of the limitations of independent claims 1, 9, 17, and 25; specifically, determining that a high proxy bid is less than a reserve price and publishing the proxy bid. *Applicant points out page 7 of Auction Arms* disclosing a modified reserve style auction. *The examiner disagrees as applicant has cited an embodiment of the prior art that was not the basis of the 35 USC 102 (b) rejection* presented in the office action dated December 26, 2008. (Emphasis added.)

However, in the Final Office Action, the Examiner stated

Referring to claim 1. Arms discloses a network based commerce system . . . determine that a high proxy bid is less than a reserve price, wherein the high proxy bid is the highest current proxy bid and the reserve price is the minimum price at which a seller is willing to sell an item, and in response to the determining, cause the processor to automatically publish at least one of a proxy bid information set by a proxy bidder and the reserve price, wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item (*page 7 disclosing basic style auctions where a seller is obligated to sell at a reserve price* (i.e. fixed price) and the proxy bids are displayed).<sup>1</sup> (Emphasis added.)

Consequently, Appellants have referred to appropriate portions of page 7, of *Auction Arms* as referenced by the Examiner. Furthermore, the basic style auction does not specify a hidden reserve price. Moreover, the bottom of page 7 specifies that proxy bidding is an automatic feature of *both basic and reserve style auctions* (see “Proxy Bidding” at 7). The “WARNING” statement, shown above, is part of the proxy bidding section and thus applies to both basic and reserve style auctions. Therefore, since Appellants have shown that not all the claimed limitations were known as required by the *Net MoneyIn* court, Appellants respectfully request reversal of the rejection under 35 U.S.C. §102(b) with regard to independent claims 1, 9, 17, and 25.

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<sup>1</sup> *Final Office Action*, mailed December 26, 2008 at 2-3.

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*Dependent Claims 2-8, 10-16, 18-24, and 26-32*

Moreover, since claims 2-8, 10-16, 18-24, and 26-32 depend, either directly or indirectly from claims 1, 9, 17, or 25, they too are allowable for at least the same reasons. Further, each of these dependent claims may be allowable for its own limitations. Thus, Appellants request reversal of the rejection under 35 U.S.C. §102(b) with reference to claims 2-8, 10-16, 18-24, and 26-32 as well.



**SUMMARY**

For the reasons Appellants have set forth above, claims 1-32 have not been properly rejected under 35 U.S.C. § 102(b) as being unpatentable over *Auction Arms*. Therefore, Appellants respectfully request reversal of all rejections and allowance of the pending claims.

If necessary, please charge any additional fees or credit overpayment to Deposit Account No. 19-0743.

Respectfully submitted,

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Date 27 April 2009

By



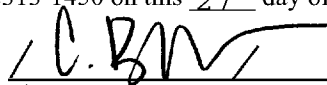
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**CERTIFICATE UNDER 37 CFR 1.8:** The undersigned hereby certifies that this correspondence is being filed using the USPTO's electronic filing system EFS-Web, and is addressed to: Mail Stop Appeal Brief – Patents, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 27 day of April 2009.

Chris Bartl

Name



Signature

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## **8. CLAIMS APPENDIX**

1. A network-based commerce system, said network commerce system comprising:  
a processor coupled to a memory through a bus; and  
a fixed price-setting process executed from the memory by the processor to:  
    determine that a high proxy bid is less than a reserve price, wherein the high proxy bid is  
        the highest current proxy bid and the reserve price is the minimum price at which  
        a seller is willing to sell an item, and  
    in response to the determining, cause the processor to automatically publish at least one  
        of a proxy bid information set by a proxy bidder and the reserve price, wherein  
        the proxy bid information includes the highest price that the proxy bidder is  
        willing to pay for the item.
2. The network-based commerce system of claim 1, wherein the fixed price process further  
    causes the processor to automatically unpublish the proxy bid information upon the high  
    proxy bid exceeding the reserve price.
3. The network-based commerce system of claim 1, wherein the fixed price process further  
    causes the processor to facilitate a request for an adjustment of a fixed price offer  
    associated with the listing for the item, the request to be sent to the seller.
4. The network-based commerce system of claim 1, wherein the publication is performed during  
    the auction price-setting process.
5. The network-based commerce system of claim 1, wherein the publication is performed after  
    the auction price-setting process.

6. The network-based commerce system of claim 1, said network commerce system further comprising:

automatically notifying the bidder when the reserve price is published.

7. The network-based commerce system of claim 1, wherein the fixed price-setting process further causes the processor to publish the at least one of a proxy bid information and the reserve price for view by a specific buyer only.

8. The network-based commerce system of claim 1, wherein the fixed price-setting process further causes the processor, when publishing to display the maximum bid amount a buyer is willing to bid to purchase an item on the listing.

9. A network-based commerce system, said network commerce system comprising:  
means for determining that a high proxy bid is less than a reserve price, wherein the high proxy bid is the highest current proxy bid and the reserve price is the minimum price at which a seller is willing to sell an item;  
means for automatically publishing at least one of a proxy bid information set by a proxy bidder and the reserve price in response to the determining, wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item; and  
means for storing the listing.

10. The network-based commerce system of claim 9, said network-based commerce system further comprising:

a means for automatically unpublishing the proxy bid information upon the high proxy bid exceeding the reserve price.

11. The network-based commerce system of claim 9, said network-based commerce system further comprising:

a means for facilitating a request for an adjustment of a fixed price offer associated with a seller of the listing for the item, the request to be sent to the seller.

12. The network-based commerce system of claim 9, wherein the publication is performed during the auction price-setting process.
13. The network-based commerce system of claim 9, wherein the publication is performed after the auction price-setting process.
14. The network-based commerce system of claim 9, said network-based commerce system further comprising:  
a means for automatically notifying a buyer when the reserve price is published.
15. The network-based commerce system of claim 9, wherein the publishing includes publishing for view by a specific buyer only.
16. The network-based commerce system of claim 9, wherein publishing includes displaying the maximum bid amount a buyer is willing to bid to purchase an item on the listing.
17. A machine-readable medium having instructions to cause a machine to perform a method to facilitate operation of a network-based commerce system, the method comprising:  
determining that a high proxy bid is less than a reserve price, wherein the high proxy bid is the highest current proxy bid and the reserve price is the minimum price at which a seller is willing to sell an item; and  
in response to the determining, automatically publishing at least one of a proxy bid information set by a proxy bidder and the reserve prices, wherein the proxy bid information includes the highest price that the proxy bidder is willing to pay for the item.
18. The machine-readable medium of claim 17, wherein said method further performs:  
automatically unpublishing the proxy bid information upon the high proxy bid exceeding the reserve price.

19. The machine-readable medium of claim 17, wherein said method further performs:  
facilitating a request for an adjustment of a fixed price offer associated with a seller of the listing  
for the item, the request to be sent to the seller.
20. The machine-readable medium of claim 17, wherein the publication is performed during the  
auction price-setting process.
21. The machine-readable medium of claim 17, wherein the publication is performed after the  
auction price-setting process.
22. The machine-readable medium of claim 17, wherein said method further performs:  
automatically notifying a buyer when the reserve price is published.
23. The machine-readable medium of claim 17, wherein the publishing includes publishing for  
view by a specific buyer only.
24. The machine-readable medium of claim 17, wherein publishing includes displaying the  
maximum bid amount a buyer is willing to bid to purchase an item on the listing.
25. A method to facilitate operation of a network-based commerce system, the method  
including:  
determining that a high proxy bid is less than a reserve price, wherein the high proxy bid is the  
highest current proxy bid and the reserve price is the minimum price at which a seller is  
willing to sell an item; and  
in response to the determining, automatically publishing at least one of a proxy bid information  
set by a proxy bidder and the reserve price, wherein the proxy bid information includes  
the highest price that the proxy bidder is willing to pay for the item.

26. The method of claim 25, said method further comprising:  
automatically unpublishing the proxy bid information upon the high proxy bid exceeding the  
reserve price.
27. The method of claim 25, said method further comprising:  
facilitating a request for an adjustment of a fixed price offer associated with a seller of the listing  
for the item, the request to be sent to the seller.
28. The method of claim 25, wherein the publication is performed during the auction price-  
setting process.
29. The method of claim 25, wherein the publication is performed after the auction price-setting  
process.
30. The method of claim 25, said method further comprising:  
automatically notifying a buyer when the reserve price is published.
31. The method of claim 25, wherein the publishing includes publishing for view by a specific  
buyer only.
32. The method of claim 25, wherein publishing includes displaying the maximum bid amount a  
buyer is willing to bid to purchase an item on the listing.

## **9. EVIDENCE APPENDIX**

None.

## **10. RELATED PROCEEDINGS APPENDIX**

None.